

Student debt and wellbeing: a research agenda

Sylvia Nissen, Bronwyn Hayward & Ruth McManus

To cite this article: Sylvia Nissen, Bronwyn Hayward & Ruth McManus (2019): Student debt and wellbeing: a research agenda, Kōtuitui: New Zealand Journal of Social Sciences Online, DOI: [10.1080/1177083X.2019.1614635](https://doi.org/10.1080/1177083X.2019.1614635)

To link to this article: <https://doi.org/10.1080/1177083X.2019.1614635>



© 2019 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group



Published online: 19 May 2019.



Submit your article to this journal [↗](#)




View Crossmark data [↗](#)

RESEARCH ARTICLE



Student debt and wellbeing: a research agenda

Sylvia Nissen ^a, Bronwyn Hayward^b and Ruth McManus^c

^aDepartment of Environmental Management, Lincoln University, Christchurch, New Zealand; ^bDepartment of Political Science and International Relations, University of Canterbury, Christchurch, New Zealand;

^cDepartment of Sociology and Anthropology, University of Canterbury, Christchurch, New Zealand

ABSTRACT

With levels of student debt unprecedented and rising in many democracies, growing attention has been given by academics and practitioners to its possible effects for student wellbeing. This article makes three contributions to this debate. First, it offers a critical review of literature that considers the relationship of student debt and wellbeing to open up discussion about the dimensions, limitations and possibilities of the field. Second, the paper points to potential avenues for future research about student debt and wellbeing by considering indicative comments made by New Zealand university students as part of a series of in-depth interviews. Third, the article makes a practical contribution to current debates about the tuition 'fees free' policy in New Zealand. We argue that developing a more robust understanding of how student debt affects wellbeing may help to broaden and reinvigorate academic and public debate about student debt.

ARTICLE HISTORY

Received 1 March 2019

Accepted 30 April 2019

KEYWORDS

Student loan debt; wellbeing; higher education

Introduction

Student loan debt is unprecedented and rising in many democracies (Antonucci 2016; Goldrick-Rab 2016; Callender & Mason 2017). In New Zealand, \$15.9 billion is owed by 730,000 New Zealanders (Ministry of Education 2018, p. 5). Students leaving study with a bachelor's degree in 2016 had a median student loan of \$32,300, up from \$19,000 a decade ago (Ministry of Education 2018, p. 29). These levels of student debt are the seventh highest in OECD, and are similar to rates in Australia and Canada (OECD 2014, p. 260; Myers 2015). The highest rates of student debt are in the United Kingdom, where students are expected to graduate with an average loan of above £50,000 (Fazackerley 2017), followed by the United States (Friedman 2018).

Student loans are often said to be 'good debt', providing individuals with the opportunity to invest in themselves as human capital (Akers & Chingos 2016; Baum 2016). The rise of tuition fees and student loans is also sometimes argued to be fair; the price paid to allow greater numbers of students to attend higher education, while ensuring that it remains affordable for the taxpayer (for discussion see Dean 2015; Shermer 2017).

CONTACT Sylvia Nissen  sylvia.nissen@lincoln.ac.nz

© 2019 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited, and is not altered, transformed, or built upon in any way.

Over the past decade, however, a growing number of researchers and practitioners have expressed unease about the effects of student loan debt. Studies have considered whether aversion to debt provides a barrier to student participation in higher education (e.g. Callender & Mason 2017), as well as how student debt affects the life-course of graduates after study (Goldrick-Rab 2016). There has been interest in the consequences of debt for student academic achievement (e.g. Antonucci 2016), and for student physical and mental health (Richardson et al. 2017). A cross-cutting focus of this research has been on the inequalities student debt may perpetuate or accentuate for people of different genders, ethnicities or classes (e.g. Despard et al. 2016; Grinstein-Weiss et al. 2016).

The effects of student loan debt discussed within this literature are all parts of student wellbeing. For the purposes of this article, wellbeing is understood not simply as positive emotions, but instead as thriving across multiple domains of life (Adler & Siligman 2016, p. 7; Dalziel et al. 2018, pp. 31–35). However, to date, wellbeing has rarely been given explicit and sustained attention within the literature on student debt, with some exceptions (e.g. Tay et al. 2017). This is a real oversight, because developing a more robust understanding of the consequences of student debt for wellbeing may help to broaden and reinvigorate academic and public debate about financial support for students, as well as the value of education for citizens.

This article presents the case for a broader research agenda around student debt and wellbeing. The first section critically reviews literature that considers the relationship between student debt and wellbeing, and offers a conceptual framework to provide clarity about the dimensions and possibilities of the research field. The second section then builds on this review by analysing indicative comments made by New Zealand university students about the effect of debt on wellbeing as part of a series of in-depth interviews conducted between 2014 and 2015. In the final section, we consider some of the practical applications of research about student debt and wellbeing for New Zealand.

Student debt and wellbeing: a review and framework

In reviewing the literature on student debt and wellbeing, we employed the systematic review techniques recommended by Petticrew and Roberts (2006). Following a series of Scopus searches and reading of reference lists to ‘snowball’ references, we identified 65 books and articles that considered the impacts of debt on students during or after study, and either contained empirical research or were a review of the literature. Excluded, therefore, were papers that considered how student loan debt might deter some potential students from participating in higher education, and those where discussion did not focus on students (e.g. instead analysing consequences for public finance or professions).

An initial search of Scopus using <‘student debt’ OR ‘student loan’ AND ‘wellbeing’ OR ‘well-being’> in the title, keyword and abstract fields returned only 19 results, which is suggestive of the lack of explicit attention to wellbeing within the literature on student debt. A second, more general search was then conducted of articles on <‘student debt’ OR ‘student loan’> in the two decades between 1 January 1999 and 1 January 2019. This returned 994 results. The first scan of titles identified 125 articles of potential relevance, and a more detailed reading of abstracts brought the total relevant articles to 54. Finally, the reference lists of the 54 articles were scanned to ‘snow-ball’ references, bringing the final number of articles and books used in this review to 65.

From this literature, we identified three dominant ways in which this research has considered the effects of student debt for wellbeing: economic wellbeing, physical and mental wellbeing, and social wellbeing (Table 1). This framework helps to identify the main focal points of research, although the categories are not intended to be exclusive. It is notable that there has been a significant growth in research on the effects of student debt for student welfare: two-thirds of the articles reviewed were published since 2014. Within these studies, almost all drew on empirical evidence from the US (30 articles) or the UK (19), suggesting there is considerable scope for further research in other countries.

Economic wellbeing

Student loans are often justified on the grounds that the economic benefits of higher education accrue to individual students in the form of higher salaries and improved employment prospects (e.g. Akers & Chingos 2016; Baum 2016). A particular focus of literature, therefore, has been evaluating how student debt may affect the career prospects of graduates: does a loan really pay off? When it comes to graduate earnings, the analysis is mixed about the initial trajectories that student salaries follow (Minicozzi 2005; Mahoney et al. 2013). However, longitudinal studies of financial wellness suggest graduates with considerable student loan debt do tend, overall, to have significantly less net worth than their debt-free peers (Elliot & Nam 2013; Addo et al. 2016). Student debt also seems to affect career choice, with graduates with student debt less likely to choose low-paying public interest jobs (Minicozzi 2005; Sieg & Wang 2017).

There is also a substantial body of research that has considered student financial wellness during the study (Montalto et al. 2019). A particular concern is that to meet rising costs of living and to minimise debt, some students are taking on high levels of employment during the academic year. This employment during study is associated with declines in academic performance (e.g. Callender 2008; Stoddard et al. 2018) and higher rates of drop-out (Baker et al. 2017), which can affect students' career prospects. Moreover, the

Table 1. Identified effects of student debt on wellbeing.

	During study	Post study
Economic wellbeing	<ul style="list-style-type: none"> Poorer academic performance and engagement (Stoddard et al. 2018) Higher rates of drop-out (Baker et al. 2017) Higher rates of employment during study that does not support career progression (Hordósy et al. 2018; Stoddard et al. 2018) 	<ul style="list-style-type: none"> Lower net worth (Elliot & Lewis 2015; Addo et al. 2016) Altered career prospects (Sieg & Wang 2017) Higher rates of other forms of debt, like credit card debt (Davies et al. 2015) Accentuated social and economic inequality (Goldrick-Rab 2016)
Mental and physical wellbeing	<ul style="list-style-type: none"> Poorer mental health scores and psychological functioning (Walsemann et al. 2015) Experiences of shame and stigma (Antonucci 2016) 	<ul style="list-style-type: none"> Higher rates of reported financial strain (Richardson et al. 2017)
Social wellbeing	<ul style="list-style-type: none"> Strain in family relationships (Antonucci 2016) Higher rates of social isolation and loneliness (Christie & Munro 2003) 	<ul style="list-style-type: none"> Deferred marriage and decision to raise children (Gicheva 2016) Deferred home ownership (Velez et al. 2019)

type of employment students take on tends not to be in their field of study and usually does not support their ‘employability’ (Hordósy et al. 2018).

A feature of this analysis of student and graduate economic wellbeing is that it has highlighted the potential for student debt to reinforce or accentuate existing inequalities (e.g. Jackson & Reynolds 2013; Goldrick-Rab 2016). Those students who already experience economic difficulty tend to be most likely to experience these negative effects of debt. This includes women (especially single mothers) (Hinton-Smith 2016), students from ethnic minorities (Jackson & Reynolds 2013; Addo et al. 2016) and from poorer socio-economic households (Callender & Mason 2017), and can be exacerbated by increased reliance on other forms of finance like credit card debt (Antonucci 2016).

Mental and physical wellbeing

Research that considers the effects of debt on mental and physical wellbeing builds on scholarship that documents a persistent connection between the stress related to personal indebtedness and the development of physical and mental health problems (Allen et al. 2014). Much of this research has utilised large-scale quantitative surveys of students to evaluate whether a correlation exists between student debt and a range of objectively measurable indicators of health. Typically, these studies indicate students with high financial concern tend to possess significantly worse mental health scores (Cooke et al. 2004; Richardson et al. 2017) and poorer psychological functioning (Walsemann et al. 2015).

In evaluating this relationship, a consistent finding across many of these studies is that student perceptions of debt are more important in terms of mental wellbeing impact than actual levels of debt. Analysis by Cooke et al. (2004, p. 53), for example, identifies students who worry about their finances report feeling more ‘tense, anxious and nervous’, more ‘criticised by other people’ and having difficulty getting sleep (also Walsemann et al. 2015; Richardson et al. 2017). In New Zealand, a 2018 survey of nearly 1700 students identified that students who felt better about their financial situation reported significantly lower levels of stress, depression and anxiety (NZUSA 2018, p. 51). Although a greater number of students have debt than ever before, some studies also suggest that having a loan can be associated with experiences of shame and stigma (Antonucci 2016; Addo et al. 2018). This stigma may be especially prevalent in contexts where ideas of personal responsibility are strong, with students potentially considering their circumstances to be ‘all down to me’ and any perceived failings a matter of personal blame (Nairn et al. 2012, p. 38).

Social wellbeing

The years after graduation have been a focus of studies examining the effect of student debt on social wellbeing. Typically drawing on longitudinal surveys of graduates, particular attention has been given to how having a loan can affect life ‘milestones’ in the transition to adulthood (e.g. Gicheva 2016). Women with high debt appear especially likely to defer marriage and starting a family (Sieg & Wang 2017). Some analyses also suggest graduates with high debt are more likely to delay buying a house (Velez et al. 2019).

Less attention has been given to how student debt might affect student wellbeing while at university, although there has recently been some research in this space. These studies

draw attention to the social and democratic value of university education, rather than simply as a matter of financial gain for students or the state (e.g. Nussbaum 2010). Typically involving qualitative methods, this literature highlights the challenges students can have to develop social networks and friendships at university (Antonucci 2016). Especially with the demands of part-time employment, there is a risk of students experiencing loneliness and isolation during study and feeling excluded from campus life (Harrison et al. 2013; Nissen 2015).

Student debt and wellbeing: insights from New Zealand students

The literature review points to potential ways that the economic, social and mental wellbeing of students is being affected by student debt, both during and after study. In this section, we now consider indicative comments made by university students in New Zealand as part of 70 in-depth interviews, conducted by the primary author between 2014 and 2015. This article builds on the discussion on the experiences and effects of student debt for New Zealand students in Nissen 2018 and Nissen 2015, which respectively consider the effects of student debt on political participation and student perspectives on debt. Limited parts of the interview data has been reproduced in this article with the permission of the editors.

These comments point to the value of qualitative insight for understanding how debt might affect wellbeing, and suggests some areas that are not yet robustly covered within the literature on student debt.

The interviews this discussion draws on were semi-structured conversations that lasted between thirty minutes and one hour. The students interviewed were purposively sampled to exemplify New Zealand's university student population as a whole in terms of their gender and ethnicity, as well as the university they attended and the degree they studied towards. The students interviewed also closely reflected the national student body in terms of their levels of student loan debt: 81 per cent reported having student debt, while 19 per cent did not. In terms of employment, participants reported similar levels of work during term-time to the wider student population: 67 per cent of students said that they were employed during the academic year, working an average of 16 h per week. To ensure the confidentiality of participants, students chose pseudonyms that have been used throughout this article.

When students were asked about how student debt affected themselves or their peers, there were two striking features of the initial conversation. The first was how uncomfortable many students seemed discussing student loan debt. Without prompting, over half of the students interviewed – 37 respondents – spontaneously said that they did not usually talk about their loans. Students like Beatrice (AUT) explained that 'it's just not something I discuss', while Rex (Otago) explained that he had only mentioned it to 'one or two' close friends. Similarly, Sara (Canterbury) said that 'it's private', while Kurt (Massey) referred to debt as 'my problem', and explained that he did not 'want to weigh others down with it'.

The second feature of conversation was that students tended to initially downplay the impacts of student debt on their lives. Students could be quite casual when they first spoke about their loans, for instance saying that 'To be honest, I don't really think about it!' (Alice, Auckland), that 'it hasn't hit me yet!' (Fracturedfemur, Auckland) or that 'It is a bit depressing when I think about it, so often-times I don't think about it' (Marmaduke,

Massey). They were also quick to proclaim that they were ‘fine’ and ‘okay’, that they did not want to be seen as a ‘complainer’, and that they would on average earn much higher salaries than their counterparts who had not attended university so ‘probably shouldn’t get more help’ (15 respondents). It is important, too, to acknowledge that many students (41 per cent) said that debt did not affect them personally or that they felt confident in their capacity to repay their loan (see Nissen 2015, 2018).

However, as the conversation progressed students across the sample spoke about a series of concerns related to the effects of debt on wellbeing. These were: (1) their worries about the wellbeing of their peers; (2) their perceived anxiety about future insecurity; and (3) their accounts of loneliness and social isolation on campus.

Concerns about other students

In interviews, students tended at least initially to say that debt had minimal impact on their lives. However, when it came to discussing the effect of student debt on their friends and peers, respondents were much more forthright about their concerns. Among the students in this sample, 61 per cent spontaneously expressed worry that debt was negatively affecting the wellbeing of other students. Students, for instance, described its impact on their peers as ‘not good’, ‘really terrible’, ‘awful’ and ‘horrible for them’. They spoke about the consequences as being in the present (‘I know some students who really find it hard to pay the rent’), but also in the future (‘they’re going to be entering the workforce with a \$50k weight round their neck’).

Worries about the effect of debt on student mental health were explicitly discussed by 13 students. Without prompting, these respondents gave examples of friends with depression or anxiety that they attributed at least in part to the financial pressures on them. One student spoke about an acquaintance’s suicide when speaking about student debt. These students acknowledged that the causes of poor mental health are complex, but suggested that high debt exacerbated the situation. For example, when one student was asked about this relationship, she explained, ‘it just adds to the stress [...] putting up with all that shit’. Another commented that it ‘builds up and, like, feeds into everything: study, work, friends, all of it’. Four students also noted the stigma and blame associated with debt: ‘I think it can get quite, um, judgey and that’s hard ... like, you got yourself there, you get yourself out’.

Anxiety about the future

Another concern raised by students was their fears for the future. When asked about their loans, the students in this sample with high debt tended to initially insist that they were ‘fine’. However, as the conversation progressed, most students with higher levels of debt began to express anxiety about their loans (26 respondents). Students spoke about the amount they owed as being ‘painful’, ‘eye-watering’ and ‘scary’. And while many of these students appeared to flourish at university, they also described being ‘anxious’ or ‘terrified’ about the future. These examples illustrate some of their fears:

It makes me feel weak, a bit sick and quite panicky. Ugh, I feel horrible when I think about it, like, what is this going to mean for me? (Greta).

It hasn't affected me at the moment. But it is huge. I can't see it being paid off. It is just floating in the background. It is crazy; I don't know how it is going to be sustainable (Martin).

It is kind of terrifying for me because it is going to be there waiting for me at the end (Nicola).

Nine students framed their loans as so large that they could not understand its implications, characterising it as 'astronomical' or 'unreal', that 'you can't fathom it' and that it was 'so much money that it is hard to imagine'. Student debt was spoken of as something they were resigned to: that it would 'eat' into their salaries, that they would probably never buy a house in the near future, or that they would never pay it back.

When speaking about their loans, these students volunteered approaches they deliberately adopted to 'cope' with their loans. One student memorably described it as a 'mind game': 'trying not to think about the future to keep your sanity in the present'. Others spoke about 'strategies' they deliberately adopted to 'try' not to think about debt and 'push it to the side', but recognised that it was always 'weighing on their mind': 'you think about it in everything you do' (Josie, AUT). Five respondents explained that they avoided thinking about the future at all: 'I try not to think too far ahead, just focus on the now'. Another four students tended to be a matter of fact or even fatalistic about the consequences: 'it will probably be bad, but I will deal with it then'; 'I'm totally screwed by now anyway, so, um, yeah, fuck it'.

Although these students were anxious for the future, they also seemed to be reluctant to ask for help. Underscoring this hesitation appeared to be a belief that their loan was – at least in part – 'my own fault'. Students were not asked directly in interviews about their spending habits, but without prompting 13 students spoke about the 'luxury' and 'affluent' items they had spent some of their loan on: 'I spent it on things I probably shouldn't have' (Bob, Canterbury). Shame of 'irresponsible' spending decisions seemed to loom large for many students, with some saying they 'regretted' or felt 'guilty' about earlier 'stupid' spending decisions.

Loneliness in the present

A third concern volunteered by students in our conversations was of loneliness and social isolation at university. Debt was not the only contributor to difficulties that some students could have making friends and connections on campus. However, the reduction in financial support for students through increases in fees and a shift from allowances to loans meant many students in this sample said they were taking on high levels of part-time (or even full-time) work in addition to study. For some students, this was an 'essential' to meet expenses, while others said they took on work to do the 'right thing' and keep debt down. Some students also reported that they had stayed at home or moved back home to try to reduce their reliance on debt (six respondents).

These efforts to meet expenses and keep debt down were not without their consequences. In this sample, nine students spoke about their employment taking a toll on their academic achievement: 'work has definitely come first quite a few times, and that doesn't always do good things for your GPA' (Mahe, Canterbury). Social consequences were also discussed. Ten students who worked long hours or lived at home to keep their expenses down volunteered problems of feeling 'like an outsider' when they came

to campus or finding it difficult to 'fit in'. They spoke about feeling 'excluded' when other students had already developed friendship groups in halls or flats.

Interestingly, it was these social repercussions of student debt that seemed to be the focus of the regrets of the students in this sample. These reflections were especially striking among those students who had made a conscious choice to do the 'right thing' and keep debt down. In conversations, these students often spoke extensively and with pride of their efforts to minimise their loan through work, staying at home or spending frugally. However, they also described the social 'toll' that doing the 'right thing' had taken on them. An especially vivid account of this isolation was offered by Duffman, a science student at Waikato University. Her account is worth quoting at length:

I was encouraged to stay at home so that I didn't accumulate a huge amount of student debt. Just don't go into debt, just don't go there. So I stayed at home. And it was really difficult because if you are in the halls, you are forming these new friendships and groups. And for someone like me who comes from the outside you go to lectures and they've already made groups of friends because they've already been in the halls for a week. And so it is really hard, you know, I spent probably the first two years mostly sitting by myself.

I asked Duffman what she would suggest for a student starting out at university. She responded that if she were to do it again, she would take on student debt rather than experience the 'loneliness' she had felt. Similar frustration was described by Peter, a post-grad at Otago University, who explained that at the end of his time at university he felt 'a bit cheated' as he felt he had 'missed out' on his university experience as he was too busy working and saving his money. Like Duffman, he said he would take on the debt if he was to do it again.

Discussion

The accounts of the students in this study point to some troubling indicators that debt may be negatively affecting the wellbeing of some students in New Zealand. Not all students with debt reported difficulties: of the 70 students interviewed, the researchers identified 23 participants that did not report any problems related to wellbeing as a result of debt. Nevertheless, it is concerning that many of the students in this sample when asked about the effects of debt spontaneously expressed worries about the wellbeing of their peers, spoke about anxiety about their future, or explained that they or their friends had not been fully able to participate academically or socially while at university. When combined with the growing body of literature that considers the potential effects of student debt for wellbeing, it suggests that there is cause for concern in assuming that student debt is necessarily good debt and students will be 'fine' taking on increasing levels of student loan debt to receive an education.

The literature review and the indicative comments made by New Zealand students point to some ways in which public debate about financial support for students could be reinvigorated through the lens of wellbeing. For one, a discussion around student wellbeing opens up a broader range of approaches and tools to evaluate the success of financial support for students. Appraisals of student debt and associated policies like tuition fees often focus on what Lorenza Antonucci (2016, p. 28) describes as 'access' and 'destination': whether it affects participation in higher education ('bums on seats'), and whether it pays off in terms of improved earnings or employment opportunities (e.g. Mahoney et al. 2013).

This focus has been a feature of higher education policy in New Zealand over the last three decades (Crawford 2016), but more recently has been apparent in the recent ‘fees free’ policy introduced by the Labour-led Government and subsequent challenges to its effectiveness – including by some university managers – based on the limited growth in domestic student participation rates (RNZ 2018).

These measures of participation and graduate destinations are valuable. However, the problem is that they are often implicitly treated as if they, by themselves, were shorthand for the overall effect of student debt on a cohort. Getting students to university is not enough: as Antonucci (2016, p. 28) reminds us, the almost exclusive attention on access and destination offers limited attention to the ‘politics of living at university’. As both the literature review and comments made by New Zealand students highlight, what is missed with this focus is the financial strain and stress students can experience, as well as their capacity to dedicate themselves to their studies and to participate in the student community as citizens. What we measure matters, and a focus on wellbeing prompts us to consider a wider range of indicators beyond participation and graduate destinations.

Rethinking student debt through the lens of wellbeing also points to the value of ensuring debate about student debt is framed as a collective, rather than individual, problem. Will Davies and colleagues have noted that responses to ‘the substantial social costs of debt’ typically focus narrowly on efforts to build financial capability among individuals (Davies et al. 2015, p. 28). The assumption is that the diversity of student experience of debt is largely attributable to poor individual choice and that better guidance for students will encourage more informed decisions in the study and personal finances. These resources may be helpful, but they are also limited in their scope as they frame the cause of student debt as rooted in a lack of literacy and numeracy skills among students. Escalating levels of student debt are not conditions of students’ own making. Reliance on student debt for education is a genuinely new set of circumstances for this cohort that has emerged as part of a political decision to reduce social support for students through an increase of tuition fees and a shift from allowances to loans (Dean 2015). Listening to the indicative comments made by New Zealand students, in particular, underscores the value of acknowledging and framing student debt as a collective problem for wellbeing, since many students seemed to blame themselves for their own circumstances and expressed a belief that the stress and insecurity associated with their loans were ‘my problem’.

A broader focus on student wellbeing also raises a potential argument in favour of universal approaches to student support, such as through the New Zealand Labour-led Government’s ‘free fees’ policy. There are moral arguments for universal provision of student support (Nussbaum 2010), but the comments made by the students in this study also point to some potential practical challenges of targeted support. It was striking that some of the New Zealand students who reported some of the greatest experiences of academic and social exclusion at university were students with *low* debt as a result of their efforts to do the ‘right thing’ and reduce their reliance on loans. High debt has long been identified as a source of risk for students (e.g. Callender & Mason 2017), but the experiences of these students suggest that the decision to carefully plan to keep student debt down may be a source of loneliness and isolation for students; one that students themselves seemed to regret. It points to an emerging dilemma of how to negotiate debt for students where there is no ‘right’ answer, and which greater targeting cannot address.

Conclusion

This article has presented a case for a broader research agenda around student debt and wellbeing. The levels of student debt that young people accumulate, or must actively work to avoid, in order to receive an education is entirely new for this generation. Our understanding of its effects for students both during and after study remains limited, but emerging literature that considers the relationship of student debt and wellbeing reviewed in this article and the indicative comments made by New Zealand students suggest a cause for concern.

There are several possible avenues for future research on debt and wellbeing highlighted by this review and preliminary interviews that are especially promising. One aspect is to respond to our call to broaden the approaches and tools used to evaluate the wellbeing effects of student debt. This involves applying a range of research methods across the time before, during and after study, and to consider the relationships between each stage. For instance, building from the insights discussed in this paper a line of inquiry could be to analyse how the potential wellbeing effects of debt during university (for instance, lower levels of academic and social participation as a result of high levels of employment) might unfold over time – whether the trade-offs students spoke about had lasting effects and to what extent their fears were realised.

A second, related avenue of research could be more policy-focused, to consider the impact of the ‘fees free’ policy on student wellbeing. The interviews presented in this paper were conducted prior to the introduction of the policy, but show a generation far from ‘fine’. What effects, then, has the policy had on student wellbeing? Does it negate any of the concerns, anxiety for the future or loneliness the students in interviews described? And how might it reduce, reinforce or amplify different forms of inequality that have been discussed in the wider literature? Again, a range of measures and longitudinal focus would be especially helpful to consider how the policy might affect the wellbeing of potential, current and future students. Developing a more robust understanding of the wellbeing effects of this policy – especially with the upcoming Wellbeing Budget – will enable a richer public debate, beyond these changes being framed as an electoral bribe.

Finally, there is scope for research that more closely examines attitudes towards student debt. It was striking in the preliminary interviews discussed here how debt was often associated with feelings of shame and a reluctance to ask for help among many students, even if they might be worried about the wellbeing of their peers. An interesting avenue of inquiry, then, would be to consider how those attitudes might change over the life-course – from before study, through study, to after graduation. There are also wider questions about public attitudes towards student debt and the willingness to publicly invest in higher education and across generations to support wellbeing.

Disclosure statement

No potential conflict of interest was reported by the authors.

ORCID

Sylvia Nissen  <http://orcid.org/0000-0001-5236-9860>

References

- Addo FR, Houle JN, Simon D. **2016**. Young, black, and (still) in the red: parental wealth, race, and student loan debt. *Race and Social Problems*. 8(1):64–76.
- Adler A, Siligman MEP. **2016**. Using wellbeing for public policy: theory, measurement and recommendations. *International Journal of Wellbeing*. 6(1):1–35.
- Akers B, Chingos MM. **2016**. *Game of loans: the rhetoric and reality of student debt*. Princeton, NJ: Princeton University Press.
- Allen J, Balfour R, Bell R, Marmot M. **2014**. Social determinants of mental health. *International Review of Psychiatry*. 26(4):392–407.
- Antonucci L. **2016**. *Student lives in crisis: deepening inequality in times of austerity*. Bristol: Policy Press.
- Baker AR, Andrews BD, McDaniel A. **2017**. The impact of student loans on college access, completion and returns. *Sociology Compass*. 11:1–11.
- Baum S. **2016**. *Student debt: rhetoric and realities of higher education financing*. New York: Palgrave Macmillan.
- Callender C, Mason G. **2017**. Does student loan debt deter higher education participation? New evidence from England. *The ANNALS of the American Academy of Political and Social Science*. 671(1):20–48.
- Callender C. **2008**. The impact of term-time employment on higher education students' academic attainment and achievement. *Journal of Education Policy*. 23(4):359–377.
- Christie H, Munro M. **2003**. The logic of loans: Students' perceptions of the costs and benefits of the student loan. *British Journal of Sociology of Education*. 24(5):621–636.
- Cooke R, Barkham M, Audin K, Bradley M, Davy J. **2004**. Student debt and its relation to student mental health. *Journal of Further and Higher Education*. 28(1):53–66.
- Crawford R. **2016**. *History of tertiary education reforms in New Zealand*. New Zealand Productivity Commission Research Note 2016/1.
- Dalziel P, Saunders C, Saunders J. **2018**. *Wellbeing economics: the capabilities approach to prosperity*. London: Palgrave Macmillan.
- Davies W, Montgomerie J, Wallin S. **2015**. *Financial melancholia: mental health and indebtedness*. London: Goldsmiths.
- Dean A. **2015**. *Ruth, Roger and Me: debts and legacies*. Wellington: Bridget Williams Books.
- Despard MR, Perantie D, Taylor S, Grinstein-Weiss M, Friedline T, Raghavan R. **2016**. Student debt and hardship: evidence from a large sample of low- and moderate-income households. *Children and Youth Services Review*. 70:8–18.
- Elliott W, Lewis M. **2015**. Student debt effects on financial well-being: research and policy implications. *Journal of Economic Surveys*. 29(4):614–636.
- Elliott, W, Nam, I. (2013). Is student debt jeopardizing the short-term financial health of U.S. households? *Federal Reserve Bank of St. Louis Review*. 95(5):405–424.
- Fazackerley A. (2017, 11 July). Grace is 25. Her student debt: £69,000. *The Guardian*. [accessed 2017 December 11]. <https://www.theguardian.com/education/2017/jul/11/student-debt-graduates-tuition-fees>.
- Friedman Z. **2018, 13 June**. Student loan debt statistics in 2018: a \$1.5 trillion crisis. *Forbes*. [accessed 2019 February 13]. <https://www.forbes.com/sites/zackfriedman/2018/06/13/student-loan-debt-statistics-2018/#c9bcaa17310f>.
- Gicheva D. **2016**. Student loans or marriage? A look at the highly educated. *Economics of Education Review*. 53:207–216.
- Grinstein-Weiss M, Perantie DC, Taylor SH, Guo S, Raghavan R. **2016**. Racial disparities in education debt burden among low- and moderate-income households. *Children and Youth Services Review*. 65:166–174.
- Goldrick-Rab S. **2016**. *Paying the price: college costs, financial aid, and the betrayal of the American Dream*. Chicago: University of Chicago Press.
- Harrison N, Chundry F, Waller R, Hatt S. **2015**. Towards a typology of debt attitudes among contemporary young UK undergraduates. *Journal of Further and Higher Education*. 39(1):85–107.

- Hinton-Smith T. 2016. Negotiating the risk of debt-financed higher education: the experience of lone parent students. *British Educational Research Journal*. 42(2):207–222.
- Hordósy R, Clark T, Vickers D. 2018. Lower income students and the ‘double deficit’ of part-time work: undergraduate experiences of finance, studying and employability. *Journal of Education and Work*. 31(4):353–365.
- Jackson BA, Reynolds JR. 2013. The price of opportunity: race, student loan debt and college achievement. *Sociological Inquiry*. 83(3):335–368.
- Minicozzi A. 2005. The short term effect of educational debt on job decisions. *Economics of Education Review*. 24(4):417–430.
- Montalto CP, Phillips EL, McDaniel A, Baker AR. 2019. College student financial wellness: student loans and beyond. *Journal of Family and Economic Issues*. 40(1):3–21.
- Mahoney P, Park Z, Smyth R. 2013. Moving on up: what young people earn after their tertiary education. Wellington: Ministry of Education.
- Ministry for Education. 2018. Student loan scheme annual report 2017–2018. Wellington: Ministry of Education.
- Myers J. 2015. These are the most expensive countries to be a student. *World Economic Forum*, 26 November. <https://www.weforum.org/agenda/2015/11/these-are-the-most-expensive-countries-to-be-a-student/>.
- Nairn K, Higgins J, Sligo J. 2012. Children of Rogernomics: a neoliberal generation leaves school. Dunedin: Otago University Press.
- Nissen S. 2015. Dividing a generation? New Zealand student perspectives of debt. *New Zealand Sociology*. 30(4):176–189.
- Nissen S. 2018. Student debt and political participation. London: Palgrave MacMillan.
- Nussbaum MC. 2010. Not for profit: why democracy needs the humanities. Princeton: Princeton University Press.
- RNZ. 2018. Kei Te Pai? Report on students’ mental health. Wellington: New Zealand Union of Students’ Associations.
- OECD. 2014. Education at a glance in 2014: OECD indicators. Paris: OECD Publishing.
- Petticrew M, Roberts H. 2006. Systematic reviews in the social sciences: a practical guide. Oxford: Blackwell.
- Richardson T, Elliot P, Roberts R, Jansen M. 2017. A longitudinal study of financial difficulties and mental health in a national sample of British undergraduate students. *Community Mental Health Journal*. 53(3):344–352.
- RNZ. 2018. Zero fees: ‘That hypothetical student doesn’t exist’. Nine to Noon, 25 June. <https://www.radionz.co.nz/national/programmes/ninetonoon/audio/2018650766/zero-fees-that-hypothetical-student-doesn-t-exist>.
- Shermer ET. 2017. The student debt crisis and its deniers. *Public Books*. <http://www.publicbooks.org/the-student-debt-crisis-and-its-deniers/>.
- Sieg H, Wang Y. 2018. The impact of student debt on education, career, and marriage choices of female lawyers. *European Economic Review*. 109:124–147.
- Stoddard C, Urban C, Schmeiser MD. College financing choices and academic performance. *Journal of Consumer Affairs*. 52(3):540–561.
- Tay L, Batz C, Parrigon S, Kuykendall L. 2017. Debt and subjective well-being: the other side of the income-happiness coin. *Journal of Happiness Studies*. 18(3):903–937.
- Velez E, Cominole M, Bentz A. 2019. Debt burden after college: the effect of student loan debt on graduates’ employment, additional schooling, family formation, and home ownership. *Education Economics*. 27(2):186–206.
- Walsemann KM, Gee GC, Gentile D. 2015. Sick of our loans: student borrowing and the mental health of young adults in the United States. *Social Science and Medicine*. 124:85–93.